



Report to the Auburn City Council

Action Item

Agenda Item No.

City Manager Approval

To: Mayor and City Council Members

From: Jack Warren, Director of Public Works/City Engineer *JS*
Carie Huff, Associate Civil Engineer *CH*

Date: September 14, 2009

Subject: Solar Photovoltaic Project

The Issue

Shall the City of Auburn enter into negotiations with Pacific Power Management, LLC for a solar photovoltaic project for the City of Auburn?

Conclusion and Recommendation

Staff recommends that the City Council, BY MOTION, authorize staff to begin negotiations with Pacific Power Management, LLC for a solar photovoltaic project that would reduce the City's use of electrical energy purchased from PG&E and reduce the annual cost of power. If negotiations with Pacific Power Management, LLC are not successful, then staff recommends that negotiations be authorized with the company rated second by the evaluation panel.

Background

At the council meeting of August 10, 2009, the City Council authorized staff to put together an evaluation panel to receive presentations from four companies interested in a solar photovoltaic project for the City of Auburn. The panel consisted of:

- Jim Durfee – Director of Facility Services for Placer County
- Devan Johnson – recommended by PG&E and the person who authored the initial feasibility report on solar for the City of Auburn
- Steven Lease – engineer with experience in wind power and a citizen volunteer
- Jack Warren – Director of Public Works/City Engineer with the City of Auburn
- Carie Huff – Associate Civil Engineer with the City of Auburn

The panel heard presentations from the four companies and rated them as follows without dissent:

1. Pacific Power Management, LLC
2. Solar Power, Inc.

3. Premier Power
4. Photon Finance

The companies ranked first through third could provide a viable project, but Pacific Power Management, LLC had a different approach that appealed to the panel and seemed to have less risk and it did not involve a third party like most of the proposals. Pacific Power Management, LLC was also the most optimistic about possible benefits from AB 2466, but that has yet to be verified. All four companies agreed that the only viable project is at the Waste Water Treatment Plant. Solar Power, Inc. included covered parking at City Hall and Premier Power included a small project at the Maidu Fire Station for training purposes. Photon Finance included the highest annual escalator as well as the highest cost per kilowatt hour which is why they were ranked the lowest.

Government Code sections 4217.10-4217.16 provide an exception to the competitive bidding requirements in situations where a city enters into an energy conservation contract.

Alternatives Available to Auburn Urban Development Authority; Implications of Alternatives

1. Proceed as recommended.
2. Defer project to a later date.

Fiscal Impact

There is no capital outlay required by the City of Auburn and there is a reduction in energy cost which could amount to about one million dollars over twenty years.

Attachments